GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1296
ANSWERED ON:28.07.2015
Hiring of Godowns
Bhabhor Shri Jasvantsinh Sumanbhai;Laguri Smt. Sakuntala

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the total private storage space taken on rent by the Food Corporation of India during the last three years and the current year along with the criteria adopted for hiring indicating the rent paid therefor;

(b) whether action was taken against the erring officials for violation of the norms, if so, the details and the outcome thereof;

(c) whether any steps have been taken for lowering of rent while hiring the said storage space, if so, the details thereof and if not, the reasons therefor; and

(d) the storage capacity likely to be taken on rent during the current fiscal and the rent likely to be paid therefor?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI RAM VILAS PASWAN)

(a) The total storage space hired by FCI from Private Parties as on 31st March during the last three years and current year is as under:

As on Capacity hired from private parties (Lakh MT)
31.03.2012 25.92
31.03.2013 62.74
31.03.2014 80.11
31.03.2015 100.53
...2/-

...2..

The rent paid by FCI for hiring of private godowns during the last three years is as under:-
Year Amount (Rs. in crores)
2011-12 (Audited) 13769.05
2012-13 (Audited) 14171.47
2013-14 (Audited) 15661.15
2014-15 (Provisional/Unaudited) 16789.04

Godowns are hired directly from Central Warehousing Corporation (CWC), State Warehousing Corporation (SWCs) and other Government bodies like Port Authorities. However, private godowns are also hired by FCI in the following ways.

1. Private Warehousing Scheme (PWS):- In case of shortfall in capacity after hiring from CWC/SWCs, godowns are also hired from private parties with preservation/maintenance and security for a period of one year extendable by another one year at the same rates and terms. The godown can be vacated by FCI at any time by giving three months' notice during the extended period only. Selection of private party is made by floating open tender enquiry after ascertaining the suitability of the godowns.

2. Private Entrepreneurs Guarantee (PEG) Scheme:- Under this scheme, godowns are constructed for guaranteed hiring through Private Entrepreneurs, CWC, SWCs and other State agencies. Selection of the private entrepreneurs is done on the basis of lowest bid against open tender enquiry. The construction cost is borne by the Investors and FCI pays guaranteed hiring charges for 10 years in case of private parties and 9 years in case of CWC, SWC and other state agencies.

(b): Suitable checks and balances are in place such as e-tendering, internal audit, CAG audit and vigilance action etc. to ensure hiring of godowns from private parties in a transparent way.

(c): Hiring under PWS and PEG schemes is made by floating open tender enquiry from the lowest bidders after fulfillment of the formalities. Hence there is no possibility of lowering rent further.

(d): Under PEG Scheme, on the basis of capacities completed recently, it is estimated that around 19 Lakh MT capacities may be hired during 2015-16 for which rent payable will be approximately Rs. 8.22 crores. More capacity may be hired on short term basis as per operational requirements. Some capacities hired earlier may also be de-hired where requirement does not exist.

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